



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0737	Title:	Revise motor vehicle law
Primary Sponsor:	Hilbert, Edward	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$52,750	\$0	\$158,150	\$0
Revenue:				
General Fund	\$361,350	\$361,350	\$2,983,850	\$2,983,850
Net Impact-General Fund Balance	<u>\$308,600</u>	<u>\$361,350</u>	<u>\$2,825,700</u>	<u>\$2,983,850</u>

Description of fiscal impact:

This bill (1) establishes new fees for the custom built classic motorcycles and originally equipped older vehicles, (2) consolidates dealer licensing fees, (3) creates a fee for dealer identification cards, (4) provides for a new \$5 new plate fee and staggers the issuance of new standard and specialty license plates, (5) reduces the temporary registration permit fee, (6) extends the annual report requirements and fees to dealers who sell off highway vehicles, (7) eliminates the \$15 fee exemption for some dealers, and (8) reduces the driving record report fee.

FISCAL ANALYSIS

Assumptions:

1. Section 2 creates a fee for custom built classic motorcycles of \$10.00 and Section 26 establishes a \$10.00 fee for originally equipped older vehicles. Both of these fees are distributed 100 percent to the general fund. The number of these special vehicles titled and registered annually is estimated to be 100. General fund revenue will increase \$1,000 (100 x \$10) annually.

2. This bill consolidates the dealer application (\$5.00), dealer license and wholesaler fees (\$25.00) into the \$30.00 annual report filing fee in Sections 4, 34, and 45 for motor vehicle brokers, dealers, and wholesalers. Additionally, the auto auction plate fee (\$5.00) provided in Section 41 and the wholesaler demonstrator plate fee (\$5.00) provided in Section 45 are clarifications of present law. These existing fees are deposited in the general fund. There will be no revenue impact to the general fund.
3. Section 4 of the bill provides for a new \$2 fee for dealer identification cards. Approximately 1,250 additional dealer identification cards will be issued annually for FY 2008 through FY 2011. General fund revenue will increase approximately \$2,500 ($1,250 \times \2) annually.
4. Section 28 of the bill provides for a \$5 fee for new issue special license plate fee for collegiate license plates, generic specialty license plates, and commemorative centennial license plates. General fund revenue will increase \$377,500 each year in FY 2008 and FY 2009 due to this fee. General fund revenues will increase approximately \$3,000,000 annually in FY 2010 and FY 2011 and for the new standard issue license plates.
5. Section 41 replaces the \$10 auto auction temporary registration permit (TRP) with the \$3 temporary registration permit provided in 61-3-224, MCA. General fund revenues would decrease approximately \$1,400 ($\$10 - \$3 - \$7/\text{TRP} \times 200 \text{ TRPs}$) annually due to this fee.
6. Section 44 extends the annual report filing requirements to dealers who sell off highway vehicles (OHV), snowmobiles, boats, and personal watercraft. This will increase general fund revenue \$6,425 annually.
 - $\$30 - \$10 = \$20$ license fee increase for OHV and snowmobile dealers $\times 195$ dealers = \$3,900 PLUS
 - $\$30 - \$5 = \$25$ license fee increase for boat and personal watercraft dealers $\times 101$ dealers = \$2,525
7. Section 53 eliminates the \$15 license fee exemption for manufacturers, distributors, and factory branches of personal watercraft, snowmobiles, and off-highway dealers resulting in an estimated general fund increase of \$285 ($\$30 - \$15 = \15 increase $\times 19$ manufacturers, etc = \$285) annually.
8. Section 58 provides for an 8 cents to 6 cents reduction for each individual Montana driving record that is searched to report a change in license status or conviction activity. This fee generates an average of \$99,850 annually. General fund revenue will be reduced approximately \$24,960 ($\$99,850 \times 25$ percent fee reduction = \$24,960) annually.
9. Operating costs will increase \$52,750 in FY 2008 for the new special license plates and \$158,150 in FY 2010 for the new standard issue license plates (Section 28) for professional services for the development and design of the new plates (\$5,000 in FY 2010), temporary administrative support to process personalized license plate renewal applications and backup staff making the deliveries of the new license plates (\$18,000 in FY 2008 and FY 2010), decals to reflect the month and year expiration on the new plates (\$20,750 in FY 2008 and \$82,750 in FY 2010), printing personalized license plate renewal notices (\$1,200 in FY 2008 and FY 2010), special license plate envelopes (\$4,500 in FY 2008 and \$18,000 in FY 2010), postage (\$6,300 in FY 2008 and \$25,200 in FY 2010), and freight (\$2,000 in FY 2008 and \$8,000 in FY 2010).

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	\$52,750	\$0	\$158,150	\$0
TOTAL Expenditures	\$52,750	\$0	\$158,150	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$52,750	\$0	\$158,150	\$0
TOTAL Funding of Exp.	\$52,750	\$0	\$158,150	\$0
<u>Revenues:</u>				
General Fund (01)	\$361,350	\$361,350	\$2,983,850	\$2,983,850
TOTAL Revenues	\$361,350	\$361,350	\$2,983,850	\$2,983,850
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$308,600	\$361,350	\$2,825,700	\$2,983,850

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date